

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

January 8, 2002

IN RE:

**BELLSOUTH TELECOMMUNICATIONS, INC.
TARIFF TO OBSOLETE CONNECTIONLESS DATA
SERVICE (CDS) IN GENERAL SUBSCRIBER TARIFF
& DELETE CDS IN ACCESS SERVICES TARIFF**

**DOCKET NO.
01-00008**

ORDER APPROVING TARIFF

This matter came before the Tennessee Regulatory Authority (the "Authority") at a regularly scheduled Authority Conference held on February 21, 2001, for consideration of BellSouth Telecommunications, Inc. ("BellSouth") Tariff to obsolete and grandfather Connectionless Data Service ("CDS") in its General Subscriber Service Tariff and delete CDS in its Access Service Tariff.

The Service (CDS)

CDS is a connectionless, data transport service which allows the transfer of information among service subscribers without the need for end-to-end establishment procedures. CDS is based on packet switching technology. Each packet of customer information contains address information sufficient to allow it to be switched separately through the CDS network.

Customers have been able to order CDS service from BellSouth under the General Subscriber Service Tariff ("GSST") (Section A40.4) and the Access Service Tariff (Section E21.2). Nevertheless, customer interest has shifted to other packet services and capabilities,

such as Frame Relay and Asynchronous Transfer Mode ("ATM"). Interexchange Carriers currently do not transport CDS type services and BellSouth's customers are only able to utilize this service for intraLATA applications. According to information provided by BellSouth to the Authority, on June 30, 2000, there were 83 customers in Tennessee obtaining CDS through the GSST and as of October 30, 2000, there were only 59 customers remaining. There are no customers for this service under the Access Service Tariff.

The Tariff

BellSouth filed this Tariff on January 4, 2001 with an effective date of February 4, 2001. The Tariff proposes to totally eliminate CDS in its Access Services Tariff and limit CDS to existing customers in its GSST. Under this Tariff, BellSouth proposes to waive the contract termination liability charge when the customer changes its service from CDS to another type of service, provided the customer selects a contract for that new service of at least twelve (12) months or the amount of time remaining on its CDS contract, whichever is greater. Alternatives to CDS are available to BellSouth customers through Frame Relay and ATM services. Under existing tariffs, no installation charges will apply to a customer moving from CDS to Frame Relay or ATM service. BellSouth states that this Tariff will have no effect on current CDS customers, and new customers may order CDS service prior to the effective date of this tariff.

The Authority issued data requests to BellSouth on January 11, 2001. BellSouth responded on January 11, 2001, stating as a reason for no longer offering the CDS in the Access Service Tariff, that CDS technology is obsolete and limited to intraLATA applications only. Currently, there are no interexchange carriers subscribing to this service from the Access Services Tariff. BellSouth's reason for grandfathering¹ CDS in the GSST is that its

¹ "Grandfathering" refers to the practice of allowing existing customers to retain a service at current rates and conditions between the time the service is no longer offered to new customers and before it is discontinued.

customers are migrating from CDS to newer, more efficient technologies like Frame Relay and ATM that enjoy support from equipment vendors and interexchange carriers.

Also, on January 11, 2001, BellSouth filed an amendment to the Tariff to provide for at least sixty (60) days written notice to customers prior to the termination of the service.² During the February 1, 2001 Authority Conference, the Directors voted unanimously to suspend the Tariff for thirty (30) days to allow sufficient time to analyze the Tariff for compliance with the Authority's requirements for grandfathering services.

Findings and Conclusions

In TRA Docket No. 97-01387³, the Authority analyzed a tariff filed by United Telephone-Southeast, Inc. seeking to discontinue the offering of certain services while continuing to make the services available only to existing customers. In that docket, the Authority determined that it would consider such grandfathering tariffs on a case-by-case basis. In its Order issued in that docket on October 22, 1998⁴, the Authority set forth criteria to be used in examining a tariff which seeks to discontinue services and grandfather those services to existing customers. The following criteria for such tariffs was established by the Authority:

- (1) The date for discontinuation of the grandfathering period must be approved by the Authority;
- (2) An open enrollment period must be offered to permit additional customers to sign on before the service is discontinued; and

² According to BellSouth, the Tariff was amended after being notified by the Consumer Advocate Division of the Office of the Attorney General regarding the requirement for a 60-day customer notification as ordered by the Authority in TRA Dockets No. 97-01387 and 98-00115. See, Letter from BellSouth to Authority dated January 11, 2001.

³ *United Telephone – Southeast, Inc.'s Tariff to Obsolete Opportunity 800 Service and the Optional Calling Plan Point to Point and to Grandfather Service to Existing Customers* (Tariff 97-262).

⁴ *Id.*, See, Order Amending and Approving Tariff No. 97-262 filed by United Telephone – Southeast, Inc.

- (3) If the service is to be discontinued while grandfathered customers are still enrolled, written notification of the plan's termination shall be provided to existing customers at least sixty (60) days prior to the plan's proposed termination. Actual date for grandfathering to end is subject to the Authority approval.

Relying upon the criteria established in TRA Docket No. 97-01387 and considering the record in this case, the Authority finds that there are no existing customers for CDS in the Access Services Tariff and therefore, no customer notification under the Tariff is necessary. The Authority determines that the service provided by CDS is technologically incompatible with the equipment utilized by interexchange carriers and as such, has no viable applications for interLATA service. The Authority finds that while CDS is of limited demand through the GSST and that there has been a demonstrable decrease in customers ordering service through the GSST, it is appropriate to grandfather those remaining customers under the Tariff rather than terminate their CDS service.

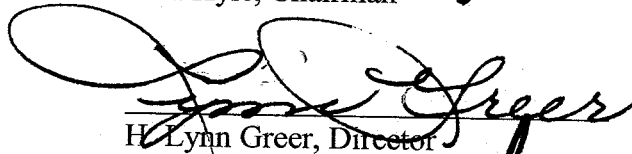
BellSouth has not identified a date certain for discontinuance of CDS in its GSST. If BellSouth decides to terminate CDS while existing customers remain, the proposed termination date will be submitted to the Authority for approval. Further, BellSouth will provide at least sixty (60) days notice to existing customers prior to termination of service.

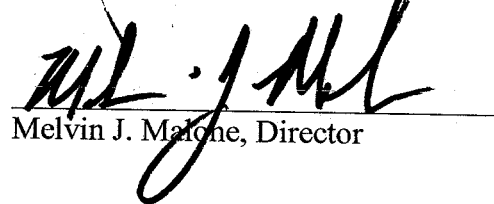
IT IS THEREFORE ORDERED THAT:

1. BellSouth Telecommunications, Inc. Tariff to Obsolete Connectionless Data Service in General Subscriber Tariff and Delete CDS in Access Services Tariff is approved.
2. Once a date is determined for termination of CDS in its GSST, BellSouth will submit that date to the Authority for approval.

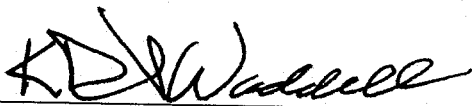
3. Upon approval of date of termination of CDS in the GSST, BellSouth shall provide written notification of the termination to existing customers at least sixty (60) days prior to the date of termination.


Sara Kyle, Chairman


H. Lynn Greer, Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary